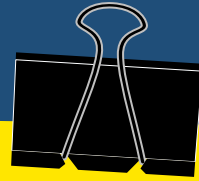


The background of the slide is a blurred image of three business professionals in a meeting. In the foreground, there is a desk with several documents featuring colorful bar charts and a pen.

**Week 04**

## **Capsule – B: Management & Leadership**

**Instructor – Maria Mohsin**



## **Unit # 4:**

### Leadership in Organizations

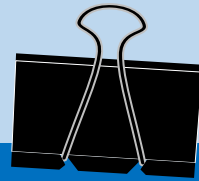
# Contingency Theory

A model of leadership that describes the relationship between leadership styles and specific organizational situations.

It includes leadership models developed by the following;

- ❖ Fielder's Contingency Theory
- ❖ Situational theory of Hersey and Blanchard
- ❖ The path goal theory presented by Evans and House



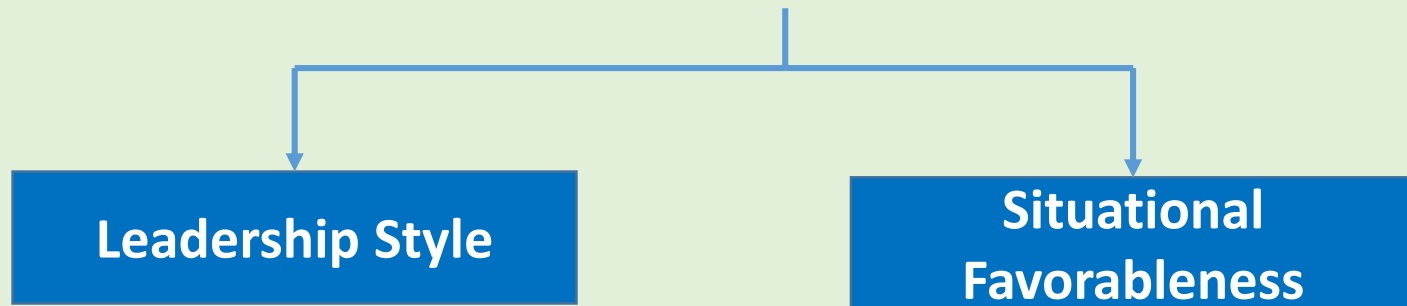


# Fielder's Contingency Theories

# Fielder's Contingency Theory

This theory states that your effectiveness as a leader is determined by how well your leadership style matches the situation.

There are **two important factors** in Fiedler's Contingency Theory:



# Fielder's Contingency Theory

## 1. Leadership Style

- ❖ The first step in using the model is to determine your natural leadership style.
- ❖ To do this, Fiedler developed a scale called the Least Preferred Coworker (LPC) for measuring the leadership style;
  - **High LPC** = Relationship-oriented leader.
  - **Low LPC** = Task-oriented leader.

# Fielder's Contingency Theory

- ❖ The LPC scale is a questionnaire that helps the leader to understand their specific leadership style.
- ❖ The leader is asked to think of all the people with whom they have ever worked and then describe the person with whom they have worked least well, using a series of scales of 1 to 8.

**Fiedler's Contingency Theory**  
Leadership Style: LPC Score

If your LPC score is...	Your leadership style probably is...
Lower than 58	Task-oriented
58 to 63	Mixed orientation
Higher than 64	People-oriented

## 1. Leadership Style

	Always		Sometimes Sometimes				Always		
Pleasant	8	7	6	5	4	3	2	1	Unpleasant
Friendly	8	7	6	5	4	3	2	1	Unfriendly
Rejecting	1	2	3	4	5	6	7	8	Accepting
Tense	1	2	3	4	5	6	7	8	Relaxed
Distant	1	2	3	4	5	6	7	8	Close
Cold	1	2	3	4	5	6	7	8	Warm
Supportive	8	7	6	5	4	3	2	1	Hostile
Boring	8	7	6	5	4	3	2	1	Interesting
Quarrelsome	1	2	3	4	5	6	7	8	Harmonious
Gloomy	1	2	3	4	5	6	7	8	Cheerful
Open	8	7	6	5	4	3	2	1	Guarded
Backbiting	1	2	3	4	5	6	7	8	Loyal
Untrustworthy	1	2	3	4	5	6	7	8	Trustworthy
Considerate	8	7	6	5	4	3	2	1	Inconsiderate
Nasty	1	2	3	4	5	6	7	8	Nice
Agreeable	8	7	6	5	4	3	2	1	Disagreeable
Insincere	1	2	3	4	5	6	7	8	Sincere
Kind	8	7	6	5	4	3	2	1	Unkind

# Fielder's Contingency Theory

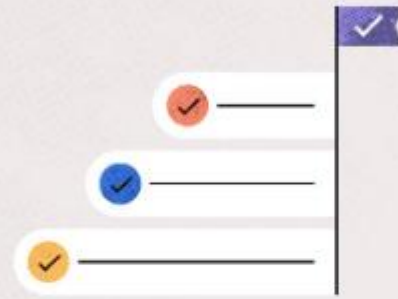
## 1. Leadership Style

### Leadership styles according to Fiedler's Contingency Theory



#### Relationship-oriented leaders

Relationship-oriented leaders, or those ranking high on the LPC scale, **are great at fostering team synergy to achieve goals.**



#### Task-oriented leaders

Task-oriented leaders, or those ranking low on the LPC scale, **use their organizational skills to achieve goals efficiently.**



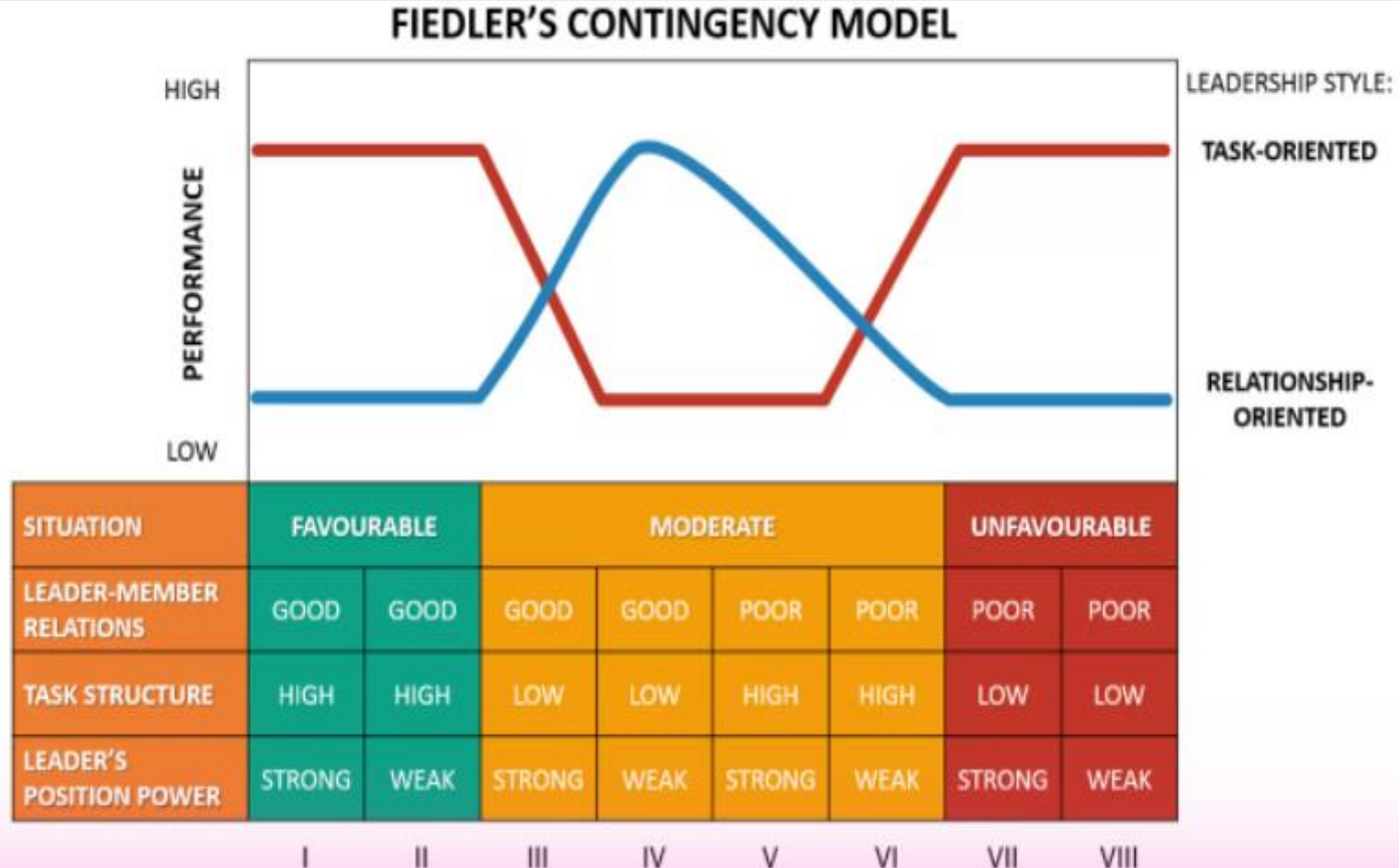
# Fielder's Contingency Theory

## 2. Situational Favorableness

- ❖ Also known as situational control.
- ❖ It describes the leader's ability to control the group situation, influence their behavior and face the current situation.
- ❖ The factors that determine the favorableness of a situation are:
  - Leader-Member Relations
  - Task Structure
  - Leader Position Power

# Fielder's Contingency Theory

## 2. Situational Favorableness



# Fielder's Contingency Theory

## Leader Member Relations

- ❖ The Leader-Member Relations factor of Fiedler's Contingency Model of Leadership refers to **the degree of mutual trust, respect and confidence between the leader and the subordinates.**
- ❖ When the leader-member relations are good, the leader has a high degree of control of the situation which makes the situation more favorable for the leader.
- ❖ When leader-member relations in the group are poor, the leader has to shift focus away from the group task in order to regulate behavior and conflict within the group.

# Fielder's Contingency Theory

## Task Structure

- ❖ The Task Structure factor refers to the extent to which **group tasks are clear and structured**.
- ❖ When task structure is low (unstructured), group tasks are ambiguous, with no clear solution or correct approach to complete the goal.
- ❖ Conversely, when task structure is high (structured), the group goal is clear and straightforward and members have a clear idea about how to approach and reach the goal.

# Fielder's Contingency Theory

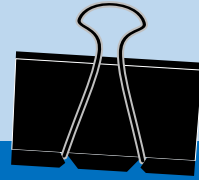
## Leader Position Power

- ❖ The Leader Position Power factor refers to **the amount of power the leader has over the group**, i.e. to which extent the leader can reward or punish the group's members.
- ❖ The stronger the power, the higher the degree to which the leader can control the situation.
- ❖ When the position power is weak, leaders cannot control the resources so they lack the same degree of situational control as leaders high in power.

# Fielder's Contingency Theory

## Conclusion

- ❖ Fiedler's Contingency Model of Leadership states that group effectiveness depends on an appropriate match between a leader's style and the demands of the situation.
- ❖ In other words, effective leadership is contingent on matching the leader's style to the right setting.



# Hersey and Blanchard's Situational Theory

# Hersey and Blanchard's Situational Theory

- ❖ Focuses on the ability and willingness of individual employees
- ❖ It is a contingency approach to leadership that links the leader's behavior style with the task readiness of the subordinates
- ❖ Focuses a great deal on the characteristics of employees in determining the appropriate leadership behaviour



# Hersey and Blanchard's Situational Theory



# Hersey and Blanchard's Situational Theory

- ❖ In the model, employees are referred to as “**followers,**” while managers are referred to as “**leaders.**”
- ❖ The diagram outlines four distinct groups of followers, each organized by their ability and willingness to work.
- ❖ **Ability** refers to a follower's ability to perform their job successfully with a combination of skills and experience.
- ❖ **Willingness** refers to followers who are motivated to take on a task and have the confidence to carry out their responsibilities.
- ❖ Based on the Hersey-Blanchard model, the four groups of followers are:
  1. Unable and Unwilling
  2. Unable and Willing
  3. Able and Unwilling
  4. Able and Willing

# Hersey and Blanchard's Situational Theory

## 1. Unable and Unwilling (D1)

D1 followers are unable to complete their tasks because they lack the proper skills to succeed. They are also unmotivated and lack confidence in their abilities.

## 2. Unable and Willing (D2)

D2 followers are unable to complete their tasks, usually due to a lack of skills and experience. However, they are still willing to try and attempt the task. It exemplifies new employees that are motivated to succeed but lack adequate knowledge and ability.

## 3. Able and Unwilling (D3)

D3 followers have the capacity and experience to complete their tasks but are unwilling to do so. It can be attributed to a lack of self-confidence in their ability or a lack of motivation to follow their leader's guidance.

## 4. Able and Willing (D4)

D4 followers have the necessary skills and experience, as well as the confidence in their ability to complete tasks successfully. The employees have the highest level of capacity and can complete tasks while also taking responsibility for their work.

# Hersey and Blanchard's Situational Theory

- ❖ A leader must adapt their leadership methods depending on the ability and willingness of their followers.
- ❖ Therefore, the Hersey-Blanchard model outlines four distinct leadership styles, each corresponding to a specific level of employee development.

## 1. Directing (S1)

The S1 leadership style focuses primarily on providing direction to employees. At the S1 stage, followers lack the ability and willingness to complete their tasks, and leaders must clearly define their responsibilities and ensure they develop the foundational skills to be successful. Typical S1 leadership methods include simple instructions, clear explanations, and careful supervision.

## 2. Coaching (S2)

The S2 leadership style provides followers with both direction and personal support. In the S2 stage of development, followers are still unable to perform their tasks but are motivated to succeed. Therefore, leaders should ensure that followers are developing the necessary skills but still maintaining their self-confidence. Ultimately, this results in followers that can take on personal responsibility for their tasks.

# Hersey and Blanchard's Situational Theory

## 3. Supporting (S3)

The S3 leadership style focuses on supporting followers and less emphasis on providing direction. At the S3 stage, the follower has already developed the necessary skills to complete their tasks. Therefore, the leader should focus on providing feedback and support to motivate the employee and encourage greater development.

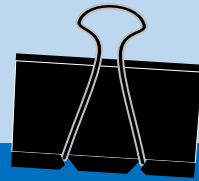
## 4. Delegating (S4)

The S4 leadership style involves minimal direction and support, as the follower is already capable of performing their tasks independently. At the S4 level, the leader should provide support when needed but also provide the follower with autonomy over their responsibilities.

# Hersey and Blanchard's Situational Theory

## Conclusion

- ❖ The model outlines four leadership styles, each corresponding with a specific level of employee development.
- ❖ Although the model is well-regarded among professionals, there are still difficulties with its application in the real-world.



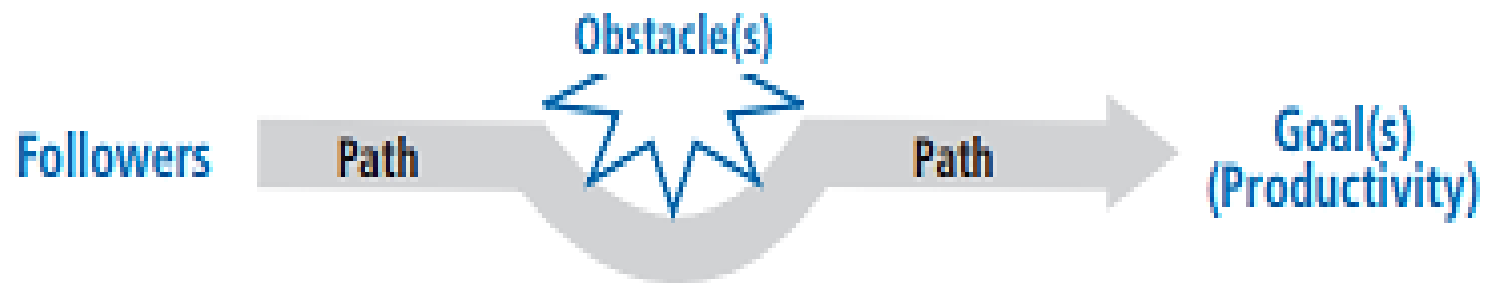
# Path – Goal Theory

# Path – Goal Theory

- ❖ A contingency approach to leadership specifying that the leader responsibility is to increase subordinates motivation by clarifying the behaviors necessary for task accomplishment and rewards
- ❖ Based on this theory a leader increases the motivation of employees by either;
  - *Clarifying the subordinates path to rewards that are available*
  - *Increasing the rewards that the subordinates value and desire*



# Path – Goal Theory



## Path–Goal Leadership

- Defines goals
- Clarifies path
- Removes obstacles
- Provides support

# Path – Goal Theory



# Path – Goal Theory

## Leadership Styles

The path-goal theory suggests a fourfold classification of the leader's behavior – described as following;

- **Directive:** Here the leader provides guidelines, lets subordinates know what is expected of them, sets performance standards for them, and controls behavior when performance standards are not met. He makes judicious use of rewards and disciplinary action. The style is the same as task-oriented one.
- **Supportive:** The leader is friendly towards subordinates and displays personal concern for their needs, welfare, and well-being. This style is the same as people-oriented leadership.
- **Participative:** The leader believes in group decision-making and shares information with subordinates. He consults his subordinates on important decisions related to work, task goals, and paths to resolve goals.
- **Achievement-oriented:** The leader sets challenging goals and encourages employees to reach their peak performance. The leader believes that employees are responsible enough to accomplish challenging goals. This is the same as goal-setting theory.

# Path – Goal Theory

## Contingencies

The theory states that the relationship between a leader's style and effectiveness is dependent on the following variables:

- **Employee characteristics:** These include factors such as employees' needs, locus of control (*the degree to which people believe that they, as opposed to external forces, have control over the outcome of events in their lives*), experience, perceived ability, satisfaction, willingness to leave the organization, and anxiety. For example, if followers are of high inability, a directive style of leadership may be unnecessary; instead a supportive approach may be preferable.
- **Characteristics of work environment:** These include factors such as task structure and team dynamics that are outside the control of the employee. For example, for employees performing simple and routine tasks, a supportive style is much effective than a directive one. Similarly, the participative style works much better for non-routine tasks than routine ones.

# Path – Goal Theory

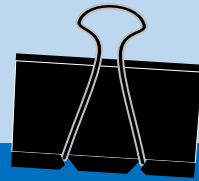
## Path Goal Situations & Preferred Leader Behaviors

Situation	Leader Behavior	Impact on Follower	Outcome
Follower lacks self	Supportive Leadership	Increased confidence to achieve work outcome	More effort, improved satisfaction and performance
Ambiguous job	Directive Leadership	Clarify path to reward	More effort, improved satisfaction and performance
Lack of job challenge	Achievement Oriented Leadership	Set high goals	More effort, improved satisfaction and performance
Incorrect reward	Participative Leadership	Clarify follower's needs and change rewards	More effort, improved satisfaction and performance

# Path – Goal Theory

## Conclusion

- The theory has been subjected to empirical testing in several studies and has received considerable research support.
- This theory consistently reminds the leaders that their main role as a leader is to **assist the subordinates in defining their goals** and then to **assist them in accomplishing those goals in the most efficient and effective manner**.
- This theory gives a **guide map** to the leaders about **how to increase subordinates satisfaction and performance level**.



# Leadership Issues in the 21st Century

# Leadership Issues in the 21<sup>st</sup> Century

Leading effectively in today's environment is likely to involve challenging circumstances for many leaders.

**Managing  
Power**

**Developing  
Trust**

**Empowering  
Employees**

**Leading  
Across  
Cultures**

**Becoming an Effective Leader**



# Managing Power

**Power:** is the right or capacity to influence work actions or decisions.

Source of Leader Power	Description
<b>Legitimate power</b>	This is the same as authority. Represents the power a leader has a result of his or her position in the organization.
<b>Coercive power</b>	It is the power that a leader has to punish or control. Followers react to this power out of the fear of negative results that might occur if they don't comply. Example; <ul style="list-style-type: none"><li>▪ Suspend or demote employees</li><li>▪ Assign work to employees, which they find unpleasant or undesirable</li></ul>
<b>Reward power</b>	It is the power to give positive rewards. A reward can be anything that a person values Example; <ul style="list-style-type: none"><li>▪ Money &amp; Promotions</li><li>▪ Favorable performance appraisals</li><li>▪ Interesting work assignment</li><li>▪ Preferred work shifts et'al.</li></ul>
<b>Expert power</b>	The power that is based on expertise, special skills or knowledge. Example; An employee having skills and expertise i.e. critical to a work group results in the person's expert power being enhanced.
<b>Referent power</b>	The power that arises cause of a person's desirable resources or personal traits. Referent power arises out of admiration of another and a desire to be like that person.

# Developing Trust

- In today's environment an important consideration for leaders is building trust and credibility; both of which is extremely fragile.
- Trust is defined as the belief in the integrity, character and ability of a leader.
- There are five dimensions that make up the concept of trust

## Integrity

*Honesty and truthfulness*

## Competence

*Technical and interpersonal knowledge and skills*

## Consistency

*Reliability, predictability and good judgment in handling situations*

## Loyalty

*Willingness to protect a person physically and emotionally*

## Openness

*Willingness to share ideas and information freely*

# Empowering Employees

- Empowerment involves increasing the decision making discretion of workers.
- Reason for empowering employees is the **attainment of quick decisions** by the people who are the most knowledgeable about the issues arising in the organization – often those at lower organization levels.
- If organizations want to **successfully compete in a dynamic global economy**, employees have to be able to make decisions and implement changes quickly.
- In order to **cope with increasing work demands** (due to larger span of controls due to organizational downsizing) Managers had to empower their people.

# Leading Across Cultures



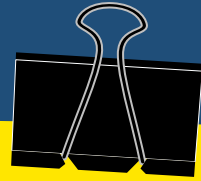
- Effective leaders do not have a single style, they adjust it to the situation
- National culture is certainly an important situational variable in determining which leadership style shall be most effective.
- Effective business leaders in any country are expected by their subordinates to provide a powerful and proactive vision to guide the company into the future, strong motivational skills to stimulate all employees to fulfill the vision and excellent planning skills to assist in implementing the vision
- Transformational leader characteristics are due to the pressures towards common technologies and management practices as a result of global competitiveness.

# Becoming an Effective Leader

- ❖ All organizations need effective leaders.
- ❖ There are two issues pertinent to becoming an effective leader i.e.
  - Leader Training; and
  - Recognizing that sometimes being an effective leader means not leading

## Following are some of the common approaches of an effective leaders use to keep their teams motivated

1. Lead by example
2. Welcome failure
3. Put your people first
4. Be decisive
5. Know when to Delegate (and when to jump in)
6. Respect your co-workers opinions
7. Practice effective communication
8. Explore further leadership development opportunities



**The End**